1. **Marketing**

**What is marketing?**

In the simplest sense marketing is the way you encourage potential customers to purchase or use your product or service.

There are many activities you will need to carry out to encourage the custom,ers to buy. These activities are designed to satisfy the needs of the customers at a profit to you.

**What are the activities of marketing?**

In order for your marketing to be effective, you must identify what are your customer’s needs, how they can be made aware of the existance of your product or service and what goods or services will be provided to them.

**The Marketing Mix**

Before you establish your business you must determine what products or service your customer really wants. Then you will have to find out what they are prepared to pay for that product or service, and if you can make enough profit by charging this price. You will also have to identify how you will deliver the products or services to the customer and how you will make the customer aware of what you have to offer.

This means you must have the right **P**roduct, at a **P**rice that the customer can and is willing to pay, at a **P**lace that the customer has access to and with the right amount of **P**romotion. It needs to be **P**ositioned in the right place in the market and have the appropriate **P**ersonality to appeal to the target market.

This is known as **the marketing mix** or the **P’s of marketing**

* **Product**
* **Price**
* **Place**
* **Position**
* **Promotion**
* **Personality**

**Product**

Can you provide what the cutomer needs?

What factors influence your customer’s choice of product or service?

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| **Quality** | **Price** | **Service** | **Performance** |
| **Convenience** | **Appearance** | **Back-up** | **Guarantee** |
| **Environmental** | **Durability** | **Fashion** | **Prestige** |
| **Health** | **Choice/ Range** | **Quantity** | **Value for Money** |
| **Brand Name** | **Reputation** | **Impulse** | **Newness** |

Nominate the top 3 reasons your customers want to do business with you:

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**What are the strenghts and weaknesses of the products/ services?**

All products and services, including yours, wil have strengths and weaknesses. Perhaps they are cheap or expensive, good quality or poor quality, have quick or slow delivery. Perhaps some of the services are performed by peope with a lot or a little experience, or perhaps they offer extra services too.

Try to be honest about this – especially about your own products. Can you design your product to avoid competing directly against your competitors strengths and to take advantage of their weaknesses?

List **strengths** and **weaknesses** of your products and competing products.

**Competitors Table:**

**Why would customers buy from you rather than from your competitors?**

This is a summary combination of your ***best strenghts*** and their ***biggest weaknesses.*** Pick out the most important advantages your products have over competing products.

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|  | **Your Core Product** | **Competitors Similar Products** | **Competitor Name** |
| **Name of product** |  |  |  |
| **Price** |  |  |  |
| **Strengths**  |  |  |  |
| **Weaknesses** |  |  |  |
| **Differences** |  |  |  |
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|  | **Your Core Product** | **Competitors Similar Products** | **Competitor Name** |
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| **Strengths**  |  |  |  |
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| **Strengths**  |  |  |  |
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**Price**

What price do you think you could sell your products for, bearing in mind the price of competing products/ services? Can I compete with the competition on price? Are my customers prepared to pay my price? Can I charge more for being a social enterprise?

**The things to consider when setting your price are:**

* Cost of production
* Market tolerance
* Competition
* Perceived value for money
* Importance and urgency
* Future

**Write down your considerations for price:**

**Place**

**How will my customers access my product or service?**

Location can be important for an enterprise. Some businesses such as retailers, might need to be where there are a lot of people passing by. Others may need to be where vehicles can easily park; you may need to be next to public transport or in an area where the majority of your potential clients live.

Perhaps the nature of surrounding business is important- you might not want a child care centre next to a pub, a spa and massage service next to a noisy mechanics shop, or a fashion shop next to a petroleum station.

**Do you need a physical place?**

**How are you going to sell your product or service?**

* Direct
* Retail
* Web
* Phone
* Direct Mail
* Door-to-Door
* Party Plan
* Markets
* Expos
* Trade Shows

Or a combination of the above>?

**Write down your considerations for place:**

**Position**

**What industry is your business in?**

For example: training, clothing manufacturing or retail, food retail, hospitality, catering, tours, carpentry, business services, automative repair.

Is there a premium edge you can offer as a social enterprise?

How do you compare to your competitors in regards to:

* Price
* Customer Service
* Prestige
* Availability
* Demand
* Packaging
* Personality
* Promotion
* Place

Therefore are/will you be positioned:

* Low end
* Medium low
* Medium
* Medium High
* High
* Prestige

Positioning acid test:

* Is it desirable?
* Is it ownable?
* Is it preferable?
* Is it achievable?
* Is it believable?
* Is it understandable?
* Is it profitable?

**Promotion**

Even if you can supply a better product at a better price, you can’t just sit back and wait for your business to take off! You will have to ***convince*** potential customers to buy what you are offering.

**How will you find and keep in touch with your potential customers?**

To convince potential customers about your business and products you need to find and reach them. The best way to start is to work out how you can reach your target customers directly.

Promotional ideas include:

* Business cards
* Local directory. On-line
* Service directories
* Posters
* Direct marketing such as telephone calls, letters
* Signage
* Vehicle sign writing
* Advertisements in the local newspaper
* Leaflet drops
* Noticeboards
* Word of mouth
* Presentations
* Promotional materials such as calendars, fridge magnets
* Publicity – interviews about your new business on the radio, t.v, newspapers
* Social media
* Sponsorships
* Referrals
* Web advertising
* Viral campaigns
* Television
* Radio
* Trade shows/ expos
* Web site

NOTE: Remember who your target customers are and choose your promotion bases on how you think you could best reach them.

Is it desirable for your target market to know you are a social enterprise?

**Promotional Costs**

Of course different ways of promotion your products, services and business will cost different amounts of time and money.

Some methods such as T.V advertising are very expensive, and some like word-of-mouth or signs on a little notice board might be free. Youu will need to take into account the time, cost and effectiveness of the ways in which you can promote your business and its products.

How much could you spend in the first yar of promotion?

In the table below write the promotional ideas you will consider using in the first year and estimate their costs.

NOTE: Promotion can be expensive unless you do your homework and shop around. Think about how to get the best ‘bang for your buck’ with a limited budget. Remember just because a promotion may be ‘free’ eg. Social networking, does not mean it doesn’t cost from a time perspective.

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| **Promotion** | **Cost $** | **Cost Time** |
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| **Total Cost** |  |  |

**Personality**

**Image**

Your business image should be attractive to your target market. Your image is your ‘brand’. It encompasses everything that bears your business name and everything else directly related to it.

Your image needs to be consistent across all aspects of your business and will therefore influence the decisions you make across your marketing strategy. Specifically it will influence such things as:

* Business name and logo
* Business cards and stationary
* Signage
* Packaging
* Location
* Appearance of staff including uniforms
* Ambience of location including music
* Types and quality of products/ services
* Promotional strategies

**What type of image do you want your business to have?**

**Activity**: Create a storyboard of your desired business persoanlity. Use old magazines and cut out images, fonts, colours and words that describe the personality of the brand you want to create.

Your personality or your brand is the emotional connection you have with your customers:

**In developing a brand message you need to consider-**

**Knowing:** What do we want our audience to know or learn?

**Feeling:** What do we want our audience to feel?

**Doing:** What do we want out audience to do?

**1. Marketing Plan**

**Marketing** involves a range of promotional campaigns

All of these campaigns are designed to “push” your products or services

**Advertising** means paying for space in newspaper, magazine, ezine

**Publicity** should be free as the flow off from marketing and advertising or public relations campaign

**2. Marketing Plan**

There is increased competition amongst non-profit organisations for public, foundation, private dollars and this calls for strong accountability.

Therefore, if you are doing a social enterprise program, be actively aware that accountability will mean using and fully auditing your marketing plan.

**3. Marketing Plan**

Your marketing plan is an integral part of your business plan:

Your customers will be very selective about how they spend their money and will not always rush in and buy – so position, price and quality will be part of the marketing.

Marketing is not done by one person- each member of your product or service must be fully aware of product/ position/ price/ ethical persuasion

**4. Marketing Plan**

**Your marketing plan should include:**

**Mission** and **Vision** and your target customers

The What and Why of the product/service offered by your business

Your Board of Directors, Management Teem, Steering Committee and the Organisation Structure

The Marketing Strategies and Objectives

**5. Marketing Plan**

**First you will need to examine the following:**

The clarity of your mission – your staff and clients should know who you are, what you do and why you exist, and to be able to share this information very clearly

**6. Marketing Plan**

**First you will need to examine the following:**

The products and services you offer: all products should be well known by you, your staff, volunteers, as well as the niche you have identified by checking your competitors---- it is essential to check competitors and not to set up where they are, or if you do have sufficient research to show there are enough target customers who will buy or have strong potential to buy your products/ services

**10. Marketing Plan**

**Marketing needs to include the following, and many of these have already been discussed:**

Branding- Unique logo or motto, and keeping your logo in the public through items that have a long life- mugs, key chains, calendars, badges, newsletters etc.

Designing, enhancing, updating your website

Speaking on radio or T.V

Writing a monthly column

Distributing fliers and other handouts to small businesses, churches etc. in your community

**9. Marketing Plan**

First you will need to examine the following:

**You must know and have approved by your team the amount of funds your business will dedicate to the marketing strategy** – marketing strategy must be reflected as a line item in your budget not decided on later – or indeed left out!

**8. Marketing Plan**

First you will need to examine the following:

**The competitors in the community and what they offer** – you must know who and what about these groups! – know your opponent – know your position – know how to position your business to stay a step ahead of the competition!

**7. Marketing Plan**

First you will need to examine the following:

**The target clients for these products and services and their particular needs and expectations** – This information may be gained through surveys, small group discussions both currently and for the future.

**12. Marketing Plan**

**How to position and protect your brand in the marketplace and the role of the Internet**

PRODUCT: the value of your product to your customers and how you are prepared to change or adjust your product to meet customer needs

PRICE: the price or quality of the product you offer to customers, whether or not your price is competitive or the product higher quality than offered by your competitors

PROMOTION: How do you reach your customers- is it by direct mail– incentives- advertising- through the net etc.

**11. Marketing Plan**

**Marketing needs to include the following, and many of these have already been discussed:**

\*Hosting and Annual Open House or \*Holiday event for your customers, clients, friends, funders, and possible new funders

Supporting other products and services - authors, artists and workshop presenters by sponsoring events around their expertise at your organisation.

\*Stay visible through attending conferences and other networking opportunities to learn about new products and services

**17. Marketing Plan**

**12 Benefits of Marketing**

10. Increase opportunities to generate unrestricted income for your business

11. Allocate information to develop and implement an Opportunity Assessment Plan, which provides the base for assessing information gained from your marketing to help decide whether you need to take advantage of new, needs based opportunities

12. Generate pride and boost morale within your staff and organisation.

**15. Marketing Plan**

**12 Benefits of Marketing**

1. Keep mission and message in front of your customers- current-new and potential
2. Integrate your business vision with the community so you are perceived ethically as an agent of change.
3. Expand your leadership role as a stakeholder in the community.
4. Demonstrate your desire and interest to be involved in community needs
5. Open doors to form alliances, increase existing partnerships- nurture champions for your cause

**16. Marketing Plan**

**12 Benefits of Marketing**

6. Co-ordinate various creative, cost effective approaches to share your success stories with your community using your own voice

7. Attract short/ long-term resources to include employees, volunteers, funders and prospective board members.

8. Build community goodwill with small business and non-profit agencies who serve the community

9. Evaluate and improve the quality of the services offered and demand for those services

**14. Marketing Plan**

**Internet:**

The internet can help social enterprises to strengthen their brand and expand marketing from local to international. Be careful here not to move too quickly without having market research complete and analysed.

Your website/webpage should be carefully designed- updated with fresh information at least 2 x per year but more regularly with new or on sale products/ information.

**13. Marketing Plan**

**Apart from the 4 P’s there are also the extra 3 P’s:**

**People:** clearly identify your specific target market by demographics>> age, sex, income, race, ethnicity

**Processes:** the right processes are designed to focus on consistency and dependability of service. Your customers deserve to know what service or product will be available at certain dates and specifically stated times.

**Physical evidence:** the appearance of the physical space where your services are offered are as important to your customers as they are to you and your staff